

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

BELLSOUTH TELECOMMUNICATIONS, INC.'S )  
REQUEST FOR CONFIDENTIAL TREATMENT )  
OF INFORMATION FILED IN SUPPORT OF ITS )  
FRAME RELAY SERVICE, BROADBAND ) CASE NO. 97-086  
EXCHANGE LINE SERVICE, MEGALINK AND )  
MEGALINK CHANNEL SERVICE CONTRACTS )  
WITH SOUTHERN KENTUCKY NETWORK )

O R D E R

This matter arising upon petition of BellSouth Telecommunications, Inc. ("BellSouth"), filed February 24, 1997, pursuant to 807 KAR 5:001, Section 7, for confidential protection of the cost support data developed in connection with BellSouth's contract with Southern Ky. Network d/b/a KIH Online ("KIH Online") for Frame Relay Service and Broadband Exchange Line Service and for MegaLink Service® and MegaLink Channel Service® on the grounds that disclosure of the information is likely to cause BellSouth competitive injury, and it appearing to this Commission as follows:

BellSouth has entered into two contracts with KIH Online. The first contract is for the provision of Frame Relay Service and Broadband Exchange Line Service. Frame Relay Service is a packet data offering and Broadband Exchange Line Service is a service which connects Frame Relay Service to the customer's premises.

The other contract is for the provision of MegaLink Service® and MegaLink Channel Service®. MegaLink Service® is a high capacity dedicated private line facility. MegaLink

Channel Service® is utilized for MegaLink Service® in order to provide channelization capability.

KIH Online has signed 60 month contract agreements, as listed in the tariff, but requested waiver of installation charges. The proposal was offered in response to other competitive proposals. In support of the contracts, BellSouth has filed revenue and cost analyses which it seeks to protect as confidential.

The information sought to be protected is not known outside of BellSouth and is not disseminated within BellSouth except to those employees who have a legitimate business need to know and act upon the information. BellSouth seeks to preserve and protect the confidentiality of the information through all appropriate means.

KRS 61.872(1) requires information filed with the Commission to be available for public inspection unless specifically exempted by statute. Exemptions from this requirement are provided in KRS 61.878(1). That subsection of the statute exempts several categories of information. One category exempted in paragraph (c)1 of that subsection is commercial information confidentially disclosed to the Commission which if made public would permit an unfair commercial advantage to competitors of the party from whom the information was obtained. To qualify for the exemption, the party claiming confidentiality must demonstrate actual competition and a likelihood of substantial competitive injury if the information is disclosed. Competitive injury occurs when disclosure of the information gives competitors an unfair business advantage.

Frame Relay Service, a packet data offering, competes with similar services offered by providers of competitive private line networks. These include providers of microwave service, digital radio and fiber networks. MegaLink Service®, a high capacity


dedicated private line facility, competes with similar services offered by interexchange carriers and Competitive Access Providers. Disclosure of the cost information would enable BellSouth's competitors to determine its cost and contributions from the services which they could use in marketing their competing services. Therefore, disclosure of the information is likely to cause BellSouth competitive injury, and the information should be protected as confidential.

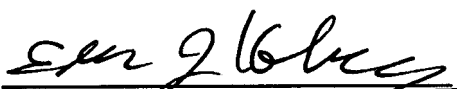
This Commission being otherwise sufficiently advised,

IT IS ORDERED that the cost support data developed in connection with the contracts with KIH Online for Frame Relay Service and Broadband Exchange Line Service and for MegaLink Service® and MegaLink Channel Service®, which BellSouth has petitioned to be withheld from public disclosure, shall be held and retained by this Commission as confidential and shall not be open for public inspection.

Done at Frankfort, Kentucky, this 19th day of March, 1997.

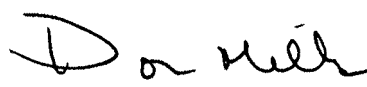
PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

  
Executive Director